

# South Carolina Board of Economic Advisors

## Statement of Estimated Revenue Impact

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**Date:** March 21, 2007

**Bill Number:** H. 3576

**Author:** E.H. Pitts, Scott, Cotty, *et al.*

**Committee Requesting Impact:** Ways and Means

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### Bill Summary

A bill to amend Section 53-1-150, as amended, Code of Laws of South Carolina, 1976, relating to the exemption of certain counties from provisions of law regulating activities on Sunday, so as to reduce the required amount of accommodations tax revenues collected in a county during a fiscal year which exempts a county from these provisions of law regulating activities on Sunday.

### REVENUE IMPACT <sup>1/</sup>

This bill would increase sales tax revenue by \$1,128,000 in FY 2007-08. Of this total, \$752,000 would be an increase in General Fund sales tax revenue, \$188,000 would be an increase in EIA Funds, and \$188,000 would be an increase in the Homestead Exemption Trust Fund.

### Explanation

This bill would exempt counties that collect more than \$900 in accommodations tax revenue in one fiscal year from the Sunday Blue Law provisions contained in Chapter 1 of Title 53. This would effectively repeal statewide the prohibition on Sunday retail sales on items such as clothing, house wares, appliances, and home and office furnishings. This proposal would not affect existing Sunday alcoholic liquor restrictions. We expect that the repeal would generate additional taxable sales in the counties that border North Carolina and Georgia, thereby increasing state sales tax revenue. We anticipate that all retail establishments in these border counties will increase their hours of operation by an average of 2 hours per week. We reduced the additional Sunday sales for a change in consumer behavior as current shoppers purchase more on Saturdays or delay purchases until Mondays in counties that prohibit Sunday sales. The estimated increase in taxable sales does not include sales that are already exempt from the Sunday sales prohibition (mostly food items). Based on this analysis, we expect that this bill would increase sales tax revenue by \$1,128,000 in FY 2007-08. Of this total, \$752,000 would be an increase in General Fund sales tax revenue, \$188,000 would be an increase in EIA Funds, and \$188,000 would be an increase in the Homestead Exemption Trust Fund.

/s/WILLIAM GILLESPIE

William C. Gillespie, Ph.D.  
Chief Economist

**Analyst:** Shuford

<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.